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REC'D TN  
REGULATORY AUTH

Guy M. Hicks  
General Counsel

01 NOV 26 PM 3 44

November 26, 2001

OFFICE OF THE  
EXECUTIVE SECRETARY  
615 214 6301  
Fax 615 214 7406

VIA HAND DELIVERY

Hon. Julie Woodruff, Hearing Officer  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Complaint of XO Tennessee, Inc. Against BellSouth Telecommunications, Inc.*

*Complaint of Access Integrated Networks, Inc. Against BellSouth Telecommunications, Inc.*

Docket No. 01-00868

Dear Ms. Woodruff:

This letter will address BellSouth Telecommunications, Inc.'s ("BST's") position on various aspects of the above-referenced docket.

**Order Compelling Response to Discovery.** AIN and XO broadly sought information regarding goods, services or benefits provided to Tennessee customers in exchange for all BST regulated and unregulated services. As explained in BellSouth's responses to discovery requests in this docket, BellSouth Select, Inc. does provide points to customers that are not conditioned on the customers' participation in the 2001 Key Business Discount Program, and these points can be redeemed for goods, services, or benefits. As noted in the "Order Granting in Part Motion to Compel Responses to Discovery," however, both of the complaints that are the subject of this docket allege that BST violated the terms of its tariffed 2001 Key Business Discount Program by offering three free months of service. See Order at 4. The Order, therefore, provides that "BellSouth shall list, if it has not done so already, on a customer-by-customer basis, all goods, services or benefits

of any kind provided by BellSouth Select, Inc. to any Tennessee customer in exchange for purchasing services through the Key Business Discount Program,<sup>1</sup> Order at 4, and it requires BellSouth to "file such responses no later than 10:00 a.m., Monday, November 26, 2001." *Id.*<sup>2</sup>

BellSouth understands this Order to address goods, services, or benefits that BellSouth Select, Inc. has provided to Tennessee customers on the condition that the customers also participate in the 2001 Key Business Discount Program. BellSouth has already provided such information in response to Item No. 10 of the First Discovery Requests of Access Integrated Networks, Inc. ("AIN"), and XO Tennessee, Inc ("XO"), which states that

the Tennessee customers listed in the attachment to Item No. 9 are earning points under the offering that is described in BellSouth's Response to Item 2 of the Staff's Data Requests (which was inaccurately described by certain sales personnel as including "free" or "complementary" months of service). Some of these customers have had some of the points that they have earned applied to their BellSouth bills in the form of credits, the dollar value of which is set forth in the attachment to Item No. 9. Customers will be able to redeem their remaining points in the future, but not as credits to their bills.

No further information is required from BST in response to the Order.

**BST's Pre-Filed Testimony.** BST has neither asserted any claim nor requested any relief in this docket. Instead, BST is in the position of responding to evidence that AIN and XO will present in support of their claims and requests for relief. Rather than pre-filing direct testimony, therefore, BellSouth intends to pre-file any rebuttal testimony responding to any filing that any other party submits.

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<sup>1</sup> As noted by the Order, the TRA approved the 2001 Key Business Discount Program at the June 26, 2001 Authority Conference. See Order at n. 11.

<sup>2</sup> The Order was faxed to BellSouth at 3:30 Central Time (4:30 Eastern Time) on Wednesday, November 21. Due to the holidays, the persons who needed to be consulted in order to respond to this Order were not even aware of the Order until early this morning. BellSouth, therefore, was not able to comply with the Order's 10:00 a.m. deadline

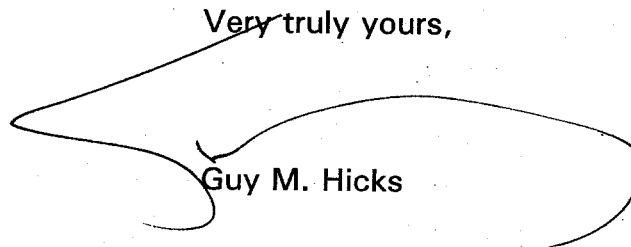
Hon. Julie Woodruff, Hearing Officer  
November 26, 2001  
Page 3

**Mediation Conference.** An "Order Granting Motion to Convene Mediation Conference" dated November 19, 2001 is posted on the TRA's web site. This Order sets a Mediation Conference for 1:00 on November 28, 2001. BST, however, was never served with a copy of this Order, and BST only learned of the Order this morning. BST believes that mediation is the most appropriate manner of resolving the complaints that are the subject of these proceedings, and BST can and will participate in a mediation conference on that date and time. In the event that the other parties to this docket were not served with a copy of the Order, however, BST is informing those parties of the Order by copy of this letter and asking each of the parties to confirm that they can and will participate in the Mediation Conference that is set for November 28, 2001 at 1:00.

**Hearing Schedule.** As noted in the Order issued on November 6, 2001, a hearing is presently scheduled in Docket No. 01-00362 for Monday, December 3, 2001. Based on conversations with counsel for AIN and XO, BST is informed and believes that counsel intends to participate in both hearings. Obviously, that would not be possible under the current schedule.

BellSouth will be pleased to participate on a conference call with the Hearing Officer and parties to discuss any of these matters.

Very truly yours,

A handwritten signature in black ink, appearing to read "Guy M. Hicks". The signature is stylized with a large, sweeping loop on the left side and a smaller loop on the right side.

GMH:ch

cc: Chris Allen, Esquire  
Henry Walker, Esquire

**CERTIFICATE OF SERVICE**

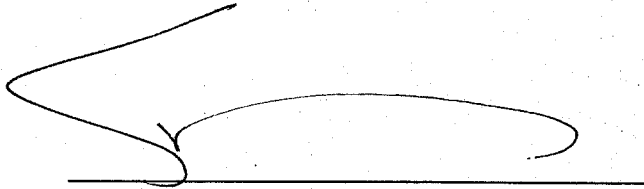
I hereby certify that on November 26, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Henry Walker, Esquire  
Boult, Cummings, et al.  
P. O. Box 198062  
Nashville, TN 37219-8062

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Chris Allen, Esquire  
Office of Tennessee Attorney General  
P. O. Box 20207  
Nashville, Tennessee 37202

A handwritten signature in black ink, appearing to read "Chris Allen", is written over a horizontal line.